
TOWN OF BROOKLYN, CONNECTICUT

Annual Financial Statements

For the Year Ended June 30, 2018

KING, KING & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



TOWN OF BROOKLYN, CONNECTICUT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Brooklyn, Connecticut

We were engaged to audit the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Brooklyn, CT, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Brooklyn, CT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Because of inadequacies in the Town's general ledger accounting system, we were unable to form an opinion regarding the pooled cash balances allocated to each fund and interfund balances receivable or owed in the accompanying balance sheets.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9, budgetary comparison information on pages 53-56, and Pension and OPEB schedules on pages 57-65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

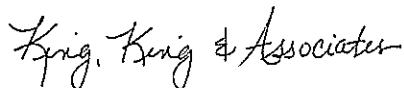
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Brooklyn, CT's basic financial statements. The combining and individual nonmajor fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. As described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the combining and individual nonmajor fund financial statements and supplemental schedules.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019, on our consideration of the Town of Brooklyn, CT's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Brooklyn, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
June 21, 2019

TOWN OF BROOKLYN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

As management of the Town of Brooklyn, CT, we offer readers of the Town of Brooklyn, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Brooklyn, CT for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- The assets of the Town of Brooklyn, CT exceeded its liabilities at the close of the most recent fiscal year by \$26,325,667 (*net position*). The government's total net position increased by \$3,399,324. Of this amount, \$(2,895,572) (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position of \$1,676,250 is restricted for various programs such as road improvements, façade improvement program, WPCA, and other purposes.
- As of the close of the current fiscal year, the Town of Brooklyn, CT's governmental funds reported combined ending fund balances of \$(1,128,760), a decrease of \$3,235,602 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,469,730 or 6.5% percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Brooklyn, CT's basic financial statements. The Town of Brooklyn, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Brooklyn, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Brooklyn, CT's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Brooklyn, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Brooklyn, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Brooklyn, CT include education, public safety, general government, public works, human services, civic and cultural, and development and planning. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities.

TOWN OF BROOKLYN, CONNECTICUT

Management's Discussion and Analysis

June 30, 2018

The government-wide financial statements can be found on pages 10-11 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Brooklyn, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Brooklyn, CT can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Town of Brooklyn, CT, maintains eleven (11) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The Town of Brooklyn, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Brooklyn, CT's own programs.

The basic fiduciary fund financial statements can be found on pages 16-17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-52 of this report.

TOWN OF BROOKLYN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Brooklyn, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,325,667 at the close of the most recent fiscal year.

	<u>2018</u>	Restated <u>2017</u>	<u>Variance</u>
Current and Other Assets	\$ 5,716,792	\$ 3,507,126	\$ 2,209,666
Capital Assets	<u>32,547,741</u>	<u>29,671,438</u>	<u>2,876,303</u>
Total Assets	<u>\$ 38,264,533</u>	<u>\$ 33,178,564</u>	<u>\$ 5,085,969</u>
Deferred Outflows of Resources	<u>610,209</u>	<u>-</u>	<u>610,209</u>
Other Liabilities	\$ 6,026,123	\$ 1,176,785	\$ 4,849,338
Long-Term Liabilities	<u>6,384,364</u>	<u>9,075,436</u>	<u>(2,691,072)</u>
Total Liabilities	<u>12,410,487</u>	<u>10,252,221</u>	<u>2,158,266</u>
Deferred Inflows of Resources	<u>138,588</u>	<u>-</u>	<u>138,588</u>
Net Position:			
Net Investment in Capital Assets	27,544,989	25,606,999	1,937,990
Restricted	1,676,250	632,599	1,043,651
Unrestricted	<u>(2,895,572)</u>	<u>(3,313,255)</u>	<u>417,683</u>
Total Net Position	<u>\$ 26,325,667</u>	<u>\$ 22,926,343</u>	<u>\$ 3,399,324</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets increased by \$1,937,990 primarily due to the purchase of school roofs less a beginning restatement of \$1,343,585.

The Town's restricted net position of \$1,676,250 increased by \$1,043,651 compared to last years restricted net position of \$632,599. The increase is primarily due a change in the classification of fund balance categories.

The Town's unrestricted net position of (\$2,895,572) increased by \$417,683 compared to last years unrestricted net position of (\$3,313,255). This increase is primarily due to a change in classification of fund balance categories and the effects of the addition of deferred outflows and inflows of resources related to pensions and OPEB.

TOWN OF BROOKLYN, CONNECTICUT

Management's Discussion and Analysis

June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>Variance</u>
REVENUES			
<i>Program:</i>			
Charges for services	\$ 1,214,953	\$ 1,162,080	\$ 52,873
Operating grants and contributions	7,567,903	8,407,272	(839,369)
Capital grants and contributions	2,661,667	985,563	1,676,104
<i>General:</i>			
Property taxes	15,015,869	14,520,754	495,115
Grants and contributions, not restricted to specific programs	432,973	409,386	23,587
Unrestricted investment earnings	9,278	21,155	(11,877)
Other General Revenues	<u>1,044,229</u>	<u>31,648</u>	<u>1,012,581</u>
Total Revenues	<u>27,946,872</u>	<u>25,537,858</u>	<u>2,409,014</u>
EXPENSES			
<i>Governmental Activities:</i>			
General Government	1,679,179	1,927,057	(247,878)
Public Safety	838,548	775,335	63,213
Public Works	1,390,227	1,325,871	64,356
Health and Human Services	61,670	78,406	(16,736)
Civic and Cultural	666,249	630,234	36,015
Development and Planning	128,470	123,496	4,974
Education	19,713,011	20,092,503	(379,492)
Interest on long-term debt	<u>70,194</u>	<u>102,082</u>	<u>(31,888)</u>
Total Expenses	<u>24,547,548</u>	<u>25,054,984</u>	<u>(507,436)</u>
Change in Net Position	3,399,324	482,874	<u>\$ 2,916,450</u>
Beginning Net Position, Restated	<u>22,926,343</u>	<u>23,479,262</u>	
Ending Net Position	<u>\$ 26,325,667</u>	<u>\$ 23,962,136</u>	

Governmental activities. Governmental activities increased the Town of Brooklyn, CT's net position by \$3,399,324.

Key elements of this increase are as follows:

- Capitalization of the expenses associated with the roofing project.
- Paydown of the old BAN recorded as debt service for governmental funds while recorded against the outstanding debt for governmental activities.

Fifty-four percent (54%) of the revenues of the Town were derived from property taxes, followed by thirty-eight percent (38%) from grants and contributions, four percent (4%) from charges for services and one percent (4%) of the Town's revenue in the fiscal year was derived from investment and other income.

Eighty percent (80%) of the expenses of the Town were related to education, followed by seven percent (7%) related to general government, six percent (6%) related to public works and seven percent (7%) related to the remainder of the government's expenses.

TOWN OF BROOKLYN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town of Brooklyn, CT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Brooklyn, CT's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Brooklyn, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Brooklyn, CT's governmental funds reported combined ending fund balances of \$(1,128,760), a decrease of \$3,235,602 in comparison with the prior year. The governmental funds currently have a negative unassigned fund balance due to a large BAN and payables reported in the Capital Nonrecurring Fund.

General Fund. The General Fund is the chief operating fund of the Town of Brooklyn, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,469,730. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 6.5 percent of total General Fund expenditures.

The fund balance of the Town of Brooklyn, CT's General Fund increased by \$428,947 during the current fiscal year. Key factors in this increase are as follows:

- A budgetary surplus due to a large unidentified differences income line.
- Proceeds from a loan from another Town for an investment in an industrial park of \$160,000 reported as other income.

Water Pollution Control Authority Fund. The fund balance of the WPCA Fund increased by \$163,691 during the current fiscal year. This increase is primarily attributable to an increase in the sewer use rates.

Capital Nonrecurring Fund. The fund balance of the Capital Nonrecurring Fund decreased by \$4,171,096 during the current fiscal year. This decrease is primarily related to the paydown of an existing BAN which was not properly reported in the fund financial statements in the prior year, and the school roofing project expenditures along with a deferral of the school building grant revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was \$268,947. Budgetary revenues were \$398,409 less than expected due primarily to a reduction in state aid, which was offset by a large unidentified difference reported as income. Budgetary expenditures were \$667,356 less than expected due primarily to a contingency line of \$145,000 that was not used along with an under expenditure in the Education line of \$336,503.

TOWN OF BROOKLYN, CONNECTICUT

Management's Discussion and Analysis

June 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town of Brooklyn, CT's reported value in capital assets for its governmental activities as of June 30, 2018, amounts to \$32,547,741 (net of accumulated depreciation). This reported value in capital assets includes land, construction in progress, buildings and systems, machinery and equipment, and infrastructure assets such as roads and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was \$2,876,303, which consisted of capital additions of \$4,069,321, offset by current year depreciation of \$1,193,018.

	<u>2018</u>	<u>2017</u>
Land	\$ 2,927,769	\$ 2,927,769
Construction in Progress	637,828	630,330
Buildings and Systems	22,005,379	18,924,168
Machinery and Equipment	1,607,674	1,805,407
Infrastructure	5,369,091	5,383,764
Total	<u>\$ 32,547,741</u>	<u>\$ 29,671,438</u>

Major capital asset events during the current fiscal year included the following:

- School roofing replacement
- New technology equipment and key system at the School
- New recreation truck
- New generator

Additional information on the Town of Brooklyn, CT's capital assets can be found in Note 6 on page 31 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Brooklyn, CT had long-term debt outstanding of \$6,384,364.

	<u>2018</u>	<u>2017</u>
G.O. Bonds	\$ 1,079,640	\$ 1,097,517
Bond Anticipation Note	-	2,945,000
Unamortized Premium	-	21,922
Loan Payable	136,000	-
Capital Lease Obligation	32,112	-
Compensated Absences	498,421	594,192
Post-closure Landfill Costs	126,000	144,000
Net Pension Liability	2,819,977	2,587,708
OPEB Liability	1,692,214	1,685,097
Total	<u>\$ 6,384,364</u>	<u>\$ 9,075,436</u>

The Town of Brooklyn, CT's total long-term debt decreased by \$2,691,072 (29.65 percent) during the current fiscal year due to the paydown of the Bond Anticipation Note with a new Bond Anticipation Note which is recorded in the fund financial statements as short-term debt. Additional information on the Town of Brooklyn, CT's long-term debt can be found in Note 7 on pages 32-34 of this report.

TOWN OF BROOKLYN, CONNECTICUT
Management's Discussion and Analysis
June 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Increased threat of losing State funding will continue to be a variable in our local budget, particularly ECS grants.
- The Town's budget included a provision for funding a Teacher Pension liability that had been proposed by the governor's budget.

All of these factors were considered in preparing the Town of Brooklyn, CT's budget for the 2019 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Brooklyn, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Finance, Town of Brooklyn, 4 Wolf Den Road, Brooklyn, CT 06234.

TOWN OF BROOKLYN, CONNECTICUT

Statement of Net Position

June 30, 2018

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 3,945,136
Investments	569,762
Receivables, Net	1,199,069
Inventories	2,825
Capital Assets:	
Assets Not Being Depreciated	3,565,597
Assets Being Depreciated, Net	<u>28,982,144</u>
Total Assets	<u>\$ 38,264,533</u>
 Deferred Outflows of Resources:	
Deferred Outflows - Pension	<u>610,209</u>
Total Deferred Outflows of Resources	<u>610,209</u>
 Liabilities:	
Accounts Payable and Accrued Items	\$ 223,421
Cash Overdraft	1,693,150
Bond Anticipation Notes Payable	3,891,000
Unearned Revenue	199,612
Due to Fiduciary Funds	18,940
Noncurrent Liabilities:	
Due Within One Year	116,085
Due In More Than One Year	<u>6,268,279</u>
Total Liabilities	<u>12,410,487</u>
 Deferred Inflows of Resources:	
Deferred Inflows - Pension	45,724
Deferred Inflows - OPEB	<u>92,864</u>
Total Deferred Inflows of Resources	<u>138,588</u>
 Net Position:	
Net Investment in Capital Assets	27,544,989
Restricted:	
Expendable	1,676,250
Unrestricted	<u>(2,895,572)</u>
Total Net Position	<u>\$ 26,325,667</u>

The notes to the financial statements are an integral part of this statement

TOWN OF BROOKLYN, CONNECTICUT
Statement of Activities
For the Year Ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Program Activities					
Governmental Activities:					
General Government	\$ 1,679,179	\$ 663,887	\$ -	\$ -	\$ (1,015,292)
Public Safety	838,548	18,038	-	-	(820,510)
Public Works	1,390,227	80,049	242,461	2,661,667	1,593,950
Health and Human Services	61,670	-	2,048	-	(59,622)
Civic and Cultural	666,249	273,527	11,309	-	(381,413)
Development and Planning	128,470	57,965	-	-	(70,505)
Education	19,713,011	121,487	7,312,085	-	(12,279,439)
Interest on Long-Term Debt	70,194	-	-	-	(70,194)
Total Governmental Activities	\$ 24,547,548	\$ 1,214,953	\$ 7,567,903	\$ 2,661,667	\$ (13,103,025)

General Revenues:	
Property Taxes	15,015,869
Grants not Restricted to Specific Programs	432,973
Unrestricted Investment Earnings	9,278
Other General Revenues	1,044,229
Total General Revenues	16,502,349
Change in Net Position	3,399,324
Net Position - Beginning of Year, as Restated	22,926,343
Net Position - End of Year	\$ 26,325,667

The notes to the financial statements are an integral part of this statement

TOWN OF BROOKLYN, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Water Pollution Control Authority Fund	School Building Committee Fund	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	\$ 2,298,859	\$ 532,215	\$ -	\$ 690,801	\$ 423,261	\$ 3,945,136
Investments	521,611	-	-	-	48,151	569,762
Receivables, Net of Allowance	268,510	107,191	-	530,542	292,826	1,199,069
Inventories	-	-	-	-	2,825	2,825
Due from Other Funds	635,624	-	919,153	730,809	615,665	2,901,251
Total Assets	\$ 3,724,604	\$ 639,406	\$ 919,153	\$ 1,952,152	\$ 1,382,728	\$ 8,618,043
Liabilities						
Accounts Payable and Accrued Items	\$ 152,121	\$ 9,409	\$ -	\$ 34,047	\$ 27,844	\$ 223,421
Cash Overdraft	-	-	-	1,693,150	-	1,693,150
Bond Anticipation Notes Payable	-	-	-	3,891,000	-	3,891,000
Unearned Revenue	55,213	-	-	-	144,399	199,612
Due to Other Funds	1,770,155	-	613,059	387,000	149,977	2,920,191
Total Liabilities	1,977,489	9,409	613,059	6,005,197	322,220	8,927,374
Deferred Inflows of Resources						
Unavailable Revenues:						
Property Taxes and Interest	277,385	-	-	-	-	277,385
Assessments and Interest	-	11,502	-	-	-	11,502
School Building Grants	-	-	-	530,542	-	530,542
Total Deferred Inflows of Resources	277,385	11,502	-	530,542	-	819,429
Fund Balances						
Nonspendable	-	-	-	-	2,825	2,825
Restricted	-	618,495	-	72	1,057,683	1,676,250
Committed	-	-	306,094	216,663	-	522,757
Assigned	-	-	-	-	-	-
Unassigned	1,469,730	-	-	(4,800,322)	-	(3,330,592)
Total Fund Balances	1,469,730	618,495	306,094	(4,583,587)	1,060,508	(1,128,760)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,724,604	\$ 639,406	\$ 919,153	\$ 1,952,152	\$ 1,382,728	\$ 8,618,043

The notes to the financial statements are an integral part of this statement

TOWN OF BROOKLYN, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2018

Fund balances reported in governmental funds Balance Sheet \$ (1,128,760)

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

<i>Capital Assets</i>	53,025,246
<i>Depreciation</i>	(20,477,505)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

<i>Property taxes and interest receivable greater than 60 days</i>	277,385
<i>Assessments receivable greater than 60 days</i>	11,502
<i>School building grants receivable</i>	530,542

Certain changes related to pensions are deferred and amortized over time.

<i>Deferred Outflows - Pension</i>	610,209
<i>Deferred Inflows - Pension</i>	(45,724)
<i>Deferred Inflows - OPEB</i>	(92,864)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Bonds payable</i>	(1,079,640)
<i>Capital leases payable</i>	(32,112)
<i>Compensated absences</i>	(498,421)
<i>Loan Payable</i>	(136,000)
<i>Post-closure landfill costs</i>	(126,000)
<i>Net pension liability</i>	(2,819,977)
<i>OPEB liability</i>	<u>(1,692,214)</u>

Net position of governmental activities **\$ 26,325,667**

TOWN OF BROOKLYN, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Water Pollution Control Authority Fund	School Building Committee Fund	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes, Interest and Lien Fees	\$ 14,932,539	\$ -	\$ -	\$ -	\$ -	\$ 14,932,539
Intergovernmental Revenues	6,958,247	-	-	2,131,125	976,233	10,065,605
Licenses, Permits, and Charges for Services	576,396	520,604	-	-	187,257	1,284,257
Investment Income	6,626	2,033	-	-	619	9,278
Other Revenue	773,114	-	-	-	241,806	1,014,920
Total Revenues	<u>23,246,922</u>	<u>522,637</u>	<u>-</u>	<u>2,131,125</u>	<u>1,405,915</u>	<u>27,306,599</u>
Expenditures						
Current:						
General Government	905,499	311,995	-	-	-	1,217,494
Public Safety	767,345	-	-	-	-	767,345
Public Works	994,251	-	-	-	221,250	1,215,501
Health and Human Services	79,383	-	-	-	287	79,670
Civic and Cultural	603,933	-	-	-	62,559	666,492
Development and Planning	128,470	-	-	-	-	128,470
Sundry	662,399	-	-	-	-	662,399
Education	18,390,927	-	-	-	778,963	19,169,890
Debt Service	63,406	42,571	-	2,990,508	-	3,096,485
Capital Outlay	-	4,380	-	3,734,985	-	3,739,365
Total Expenditures	<u>22,595,613</u>	<u>358,946</u>	<u>-</u>	<u>6,725,493</u>	<u>1,063,059</u>	<u>30,743,111</u>
Excess/(Deficiency) of Revenues over Expenditures	651,309	163,691	-	(4,594,368)	342,856	(3,436,512)
Other Financing Sources/(Uses)						
Transfers In	-	-	-	382,362	-	382,362
Transfers Out	(382,362)	-	-	-	-	(382,362)
Loan Proceeds	160,000	-	-	-	-	160,000
Issuance of Capital Leases	-	-	-	40,910	-	40,910
Total Other Financing Sources/(Uses)	<u>(222,362)</u>	<u>-</u>	<u>-</u>	<u>423,272</u>	<u>-</u>	<u>200,910</u>
Net Change in Fund Balances	428,947	163,691	-	(4,171,096)	342,856	(3,235,602)
Fund Balances at Beginning of Year	<u>1,040,783</u>	<u>454,804</u>	<u>306,094</u>	<u>(412,491)</u>	<u>717,652</u>	<u>2,106,842</u>
Fund Balances at End of Year	<u>\$ 1,469,730</u>	<u>\$ 618,495</u>	<u>\$ 306,094</u>	<u>\$ (4,583,587)</u>	<u>\$ 1,060,508</u>	<u>\$ (1,128,760)</u>

The notes to the financial statements are an integral part of this statement

TOWN OF BROOKLYN, CONNECTICUT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (3,235,602)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

<i>Capital expenditures</i>	4,069,321
<i>Depreciation expense</i>	(1,193,018)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds

<i>Property taxes and interest collected accrual basis change</i>	83,330
<i>Assessment revenue accrual basis change</i>	(42,636)
<i>School building grant accrual basis change</i>	530,542

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Proceeds from long-term debt - loan payable</i>	(160,000)
<i>Proceeds from long-term debt - capital leases</i>	(40,910)
<i>Principal payments on long-term debt - general obligation bonds</i>	17,877
<i>Principal payments on long-term debt - BANs</i>	2,945,000
<i>Principal payments on long-term debt - loan payable</i>	24,000
<i>Principal payments on long-term debt - capital leases</i>	8,798

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

<i>Accrued interest</i>	24,694
<i>Compensated Absences</i>	95,771
<i>Post-closure landfill costs</i>	18,000
<i>Amortization of premiums</i>	21,922
<i>Pension obligations</i>	332,216
<i>OPEB liability</i>	<u>(99,981)</u>

Change in net position of governmental activities \$ 3,399,324

TOWN OF BROOKLYN, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2018

	Pension Trust Funds	Agency Funds
Assets		
Cash and Cash Equivalents	\$ 82,818	\$ 20,121
Investments		
CDs	-	23,533
Short-Term Investments	74,923	
Mutual Funds	4,840,052	-
Due from Other Funds	-	18,940
Total Assets	\$ 4,997,793	\$ 62,594
 Deferred Outflows of Resources	 -	 -
Liabilities		
Fiduciary Deposits	\$ -	\$ 62,594
Payroll Taxes Payable	18,286	-
Total Liabilities	18,286	\$ 62,594
 Deferred Inflows of Resources	 -	 -
 Net Position		
Restricted for Pension Benefits	\$ 4,979,507	

The notes to the financial statements are an integral part of this statement

TOWN OF BROOKLYN, CONNECTICUT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 457,128
Investment Income:	
Net Appreciation/(Depreciation) in Fair Value of Investments	159,338
Interest and Dividends	214,976
Total Investment Income	374,314
Other Income	17,909
Total Additions	849,351
Deductions	
Pension Benefits	370,016
Administrative Expenses	15,548
Total Deductions	385,564
Change in Net Position	463,787
Net Position at Beginning of Year	4,515,720
Net Position at End of Year	\$ 4,979,507

The notes to the financial statements are an integral part of this statement

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Brooklyn, Connecticut (the "Town") have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Reporting Entity

The Town was incorporated in 1786. It operates under a Board of Selectmen, Town Meeting, Board of Finance form of government. Under this form of government, the town meeting is the legislative body. A Town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member board of selectman. The selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public-school system. The elected Board of Finance is the budget making authority and supervises the Town financial matters.

The Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Brooklyn (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Brooklyn.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in the demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

The Town maintains fiduciary funds which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes when levied, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

Governmental Funds are those through which most governmental functions typically are financed. The following are the Town's major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.
- The *Water Pollution Control Authority Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the sewer system which is available to some of the residents.
- The *School Building Committee Fund* is used to account and report financial resources that are restricted, committed, or assigned to expenditures for the building of a new preschool building.
- The *Capital Nonrecurring Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

The Town also reports the following nonmajor governmental funds:

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purpose other than debt service or capital projects. The non-major Special Revenue Funds of the Town are:

- The *Small Cities Block Grant Fund* is used to account for and report grants received through the Federal Small Cities Block Grant Program that are restricted to expenditures for the assistance of low-income citizens by providing them with interest free loans of Federal funds.
- The *Town Aid Road Fund* is used to account for and report a grant from the State of Connecticut that is restricted to expenditures for the construction, reconstruction, improvement, and maintenance of improved and unimproved roads.
- The *Special Education Grants Fund* is used to account for and report a number of Federal, State, and local educational grants that are restricted to specific expenditures for educational purposes.
- The *Cafeteria Fund* is used to account for and report financial resources received from the cafeteria and milk programs that are restricted or committed to expenditures for the school cafeteria lunch program. Besides the fee charged to students, the revenue comes from the federal and state reimbursements for free and reduced lunches to low income individuals.
- The *Recreation Fund* is used to account for and report financial resources that are restricted or committed to expenditures for activities sponsored by the Recreation Commission.
- The *Open Space Land Acquisition Fund* is used to account for and report financial resources that are restricted or committed to expenditures for future purchases of open space land in town.
- The *Memorial Scholarship Fund* is used to account for and report financial resources that are restricted or committed to expenditures for scholarships for deserving school children.

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Pension Trust Funds* account for the activities of the Town's two defined benefit pension plans, which accumulate resources for pension and health benefit payments to qualified employees upon retirement.
- The *Agency Fund* is primarily utilized to account for monies held as custodian for outside student groups.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Investments are stated at fair value, based on quoted market prices.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is overseen by the Office of the State Treasurer. The pool is rated AAA by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

The Pension Funds allow for investment in certain alternative investments. Alternative investments may include private equity partnerships, infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

Receivables- All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible motor vehicle and personal property taxes and interest in the amount of \$83,069. Property taxes are assessed on property values as of October 1st. The tax levy is divided into four billings; the following July 1st, October 1st, January 1st, and April 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st, November 1st, February 1st, and May 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are filed within two years of the original due date.

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

Loans Receivable – Loans receivable in the Small Cities Block Grant Funds are due from citizens. The loans are made through a federal grant. These are generally for renovations to personal residences and are secured by the residences. There is no interest or set maturity date. They become due when the taxpayer dies, sells, or refinances the home.

Inventories – Inventories in the governmental funds are valued at cost on a first-in, first-out basis. The cost is recorded as inventory at the time individual items are purchased. The Town uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by non-spendable fund balance in governmental funds, which indicates that they do not constitute “available spending resources” even though they are a component of current assets. Purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

Prepaid Expenses/Expenditures – Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by non-spendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

Due From/To Other Funds - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than the capitalization threshold and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Land	N/A	\$ 25,000
Intangible assets	Varies, if any	\$ 25,000
Buildings and systems	50	\$ 10,000
Machinery and Equipment		
Heavy Equipment	10	\$ 10,000
Vehicles	10	\$ 10,000
Other Equipment	5	\$ 5,000
Infrastructure:		
Bridges	40	\$ 25,000
Roads and drainage	20	\$ 25,000
Sidewalks	20	\$ 25,000
Sewer Systems	50	\$ 25,000

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt payments, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports pension expense in the government wide financial statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue from property taxes and related interest, assessments, and building grants in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also reports deferred charges on pension and OPEB expense in the government-wide statement of net position, which resulted from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits.

Compensated absences - Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

Fund equity and net position– Net position represents the difference between assets, deferred inflows of resources, liabilities, and deferred outflows of resources. In the government-wide statement of net position, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures. Examples of items legally or contractually required to be maintained intact are the corpus of permanent funds.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by action of Town Officials.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies requiring it to maintain a minimum fund balance.

Encumbrances – In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Fair Value of Financial Instruments

In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active; Observable inputs other than quoted prices for the assets or liability;
- c. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit and the investment in the industrial park are reported at amortized cost and are excluded from the fair value disclosures.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Basis

A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement 24 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.
- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures expected.
- **Other Grants**- The Town nets the revenue form the State historic preservation grant with the expenditures for the grant.
- **Insurance Proceeds** – The Board of Education recognizes insurance proceeds in the year earned whether they were received in 60 days or not.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Budget Calendar

The Boards of Selectmen and Education submit requests for appropriation(s) to the Board of Finance. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

Budget Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education, which are, by State Statutes, appropriated as one department.

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a onetime additional appropriation up to \$20,000 to any appropriations. A Town meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation.

Fund Deficit

The Capital Nonrecurring Fund has an unassigned deficit fund balance of \$4,800,322 at June 30, 2018. This deficit is primarily the result of timing issues and a large BAN and the Town plans to address this deficit in the subsequent years.

NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank" as defined by the Statutes, which is not a "qualified public depository". The following is a summary of cash and cash equivalents at June 30, 2018.

	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 3,945,136	\$ 102,939	\$ 4,048,075
Less: Pooled Cash Overdrafts	<u>(1,693,150)</u>	<u>-</u>	<u>(1,693,150)</u>
Net Cash and Cash Equivalents	<u>\$ 2,251,986</u>	<u>\$ 102,939</u>	<u>\$ 2,354,925</u>

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio. The following is a reconciliation of the Town's deposits subject to custodial credit risk:

Cash and Cash Equivalents	\$	2,354,925
Less: Cash Equivalents (STIF)		(681,335)
Plus: Investments (CDs)		<u>433,295</u>
	\$	<u>2,106,885</u>

At year-end, the Town's carrying amount of deposits subject to custodial credit risk was \$2,106,885 and the bank balance was \$2,782,795. Of the bank balance, Federal Depository Insurance Corporation insured \$1,047,423.

As of June 30, 2018, \$1,735,372 of the Town's bank balance of \$2,782,795 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	1,486,835
Uninsured and collateral held by pledging bank's Trust department not in the Town's name		<u>248,537</u>
Total	\$	<u>1,735,372</u>

Cash Equivalents

At June 30, 2018, the Town's cash equivalents (Short-Term Investment Fund "STIF") amounted to \$681,335. STIF is rated AAAM by Standard and Poor's and has an average maturity of under 60 days.

Investments

The following is a summary of investments at June 30, 2018:

	Governmental <u>Funds</u>	Fiduciary <u>Funds</u>	<u>Total</u>
Certificates of Deposit	\$ 409,762	\$ 23,533	\$ 433,295
Short-Term Investments	-	74,923	74,923
Mutual Funds	-	4,840,052	4,840,052
Investment in Regional Technology Park (Reported at Cost)	<u>160,000</u>	-	<u>160,000</u>
Total Investments	<u>\$ 569,762</u>	<u>\$ 4,938,508</u>	<u>\$ 5,508,270</u>

Custodial Credit Risk - Investments. This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a policy for custodial credit risk.

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

Credit Risk – The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

As of June 30, 2018, the Town had the following investments subject to interest rate risk:

	<u>Total</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
Certificates of Deposit	\$ 433,295	\$ 71,684	\$ 361,611	\$ -

The following is a summary of assets measured at fair value:

<u>Description</u>	<u>June 30,</u> <u>2018</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices</u> <u>in Active</u> <u>Markets for</u> <u>Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Short-Term Investments	\$ 74,923	\$ 74,923	\$ -	\$ -
Mutual Funds	4,840,052	<u>4,840,052</u>	<u>-</u>	<u>-</u>
		<u>\$ 4,914,975</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not included above:				
Certificates of Deposit	433,295			
Investment in Regional Technology Park	<u>160,000</u>			
Total Investments	<u>\$ 5,508,270</u>			

The Certificates of Deposit are reported at cost and covered by FDIC insurance. The Town has a 20% investment in the Quinebaug Regional Technology Park Development which is reported as an investment at initial cost. Currently, there is no annual net income. The other entities in the investment are the Towns of Putnam, Pomfret, and Scotland.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

NOTE 4 – RECEIVABLES

Receivables as of year-end for the Town’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water Pollution Control Authority Fund	Capital Nonrecurring Fund	Nonmajor and Other Funds	Total
Receivables:					
Property taxes	\$ 255,722	\$ -	\$ -	\$ -	\$ 255,722
Interest, Liens, and Fees	81,957	2,813	-	-	84,770
Usage Charges	-	108,578	-	-	108,578
Loans	-	-	-	241,316	241,316
Intergovernmental	-	-	530,542	50,156	580,698
Accounts	13,900	-	-	1,354	15,254
Gross Receivables	351,579	111,391	530,542	292,826	1,286,338
Less allowance for uncollectibles:					
Property taxes, interest liens, and fees	(83,069)	-	-	-	(83,069)
Usage Charges	-	(4,200)	-	-	(4,200)
Total allowance	(83,069)	(4,200)	-	-	(87,269)
Net Total Receivables	\$ 268,510	\$ 107,191	\$ 530,542	\$ 292,826	\$ 1,199,069

The loans receivable of \$241,316 in the nonmajor governmental funds are long-term receivables and not expected to be collected within one year.

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Governmental Funds
General Fund:	
Fees Collected in Advance	\$ 55,213
Nonmajor Funds:	
Advances on Grants	144,399
Total Unearned Revenue	\$ 199,612

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Operating Lease Receivable

The Town has entered into an operating lease in 2006 with a third party for office space in a Town building. The annual rent of \$31,920 will be received in twelve monthly payments of \$2,660. This rent will be increased annually at a rate of 2.5%. Future minimum lease payments for the term of the lease are as follows:

<u>Year Ending</u>	<u>Amount</u>	<u>Year Ending</u>	<u>Amount</u>
2019	\$ 32,718	2023	\$ 36,115
2020	33,536	2024	37,017
2021	34,374	2025	37,943
2022	35,234	2026	38,891

NOTE 5 – INTERFUND ADVANCES

The outstanding balances between funds result mainly from the time lag between the dates that: 1) inter-fund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; 3) payments between funds are made. At June 30, 2018, the interfund balances are summarized as:

	<u>Due To:</u>				
	<u>General Fund</u>	<u>School Building Committee Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
<u>Due From:</u>					
General Fund	\$ -	\$ 532,153	\$ 606,897	\$ 631,105	\$ 1,770,155
School Building Committee Fund	613,059	-	-	-	613,059
Capital Nonrecurring Fund	-	387,000	-	-	387,000
Nonmajor and Other Governmental Funds	22,565	-	123,912	3,500	149,977
Total	<u>\$ 635,624</u>	<u>\$ 919,153</u>	<u>\$ 730,809</u>	<u>\$ 634,605</u>	<u>\$ 2,920,191</u>

Fund transfers are generally used to fund special projects with General Fund revenues. Interfund transfers during the year ended June 30, 2018 were as follows:

<u>Transfer to:</u>	<u>Transfer from:</u>	<u>Amount</u>
Capital Nonrecurring Fund	General Fund	<u>\$ 382,362</u>

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

NOTE 6 – CAPITAL ASSETS

The following is a summary of the change in capital assets as of June 30, 2018:

	Restated Beginning Balance	Increases	Decreases	Ending Balances
Capital assets, not being depreciated				
Land	\$ 2,927,769	\$ -	\$ -	\$ 2,927,769
Construction in Progress	630,330	7,498	-	637,828
Total capital assets, not being depreciated	<u>3,558,099</u>	<u>7,498</u>	<u>-</u>	<u>3,565,597</u>
Capital assets, being depreciated				
Buildings and Systems	29,769,059	3,652,970	-	33,422,029
Machinery and Equipment	4,082,233	56,742	-	4,138,975
Infrastructure	11,546,534	352,111	-	11,898,645
Total capital assets, being depreciated	<u>45,397,826</u>	<u>4,061,823</u>	<u>-</u>	<u>49,459,649</u>
Less accumulated depreciation for:				
Buildings and Systems	10,844,891	571,759	-	11,416,650
Machinery and Equipment	2,276,826	254,475	-	2,531,301
Infrastructure	6,162,770	366,784	-	6,529,554
Total accumulated depreciation	<u>19,284,487</u>	<u>1,193,018</u>	<u>-</u>	<u>20,477,505</u>
Total capital assets, being depreciated	<u>26,113,339</u>	<u>2,868,805</u>	<u>-</u>	<u>28,982,144</u>
Capital assets, net	<u>\$ 29,671,438</u>	<u>\$ 2,876,303</u>	<u>\$ -</u>	<u>\$ 32,547,741</u>

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

General Government	\$ 125,342
Public Safety	96,784
Public Works	481,395
Recreation	1,457
Education	488,040
Total	<u>\$ 1,193,018</u>

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018 was as follows:

Governmental Activities	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
General Obligation Bonds	\$ 1,097,517	\$ -	\$ 17,877	\$ 1,079,640	\$ 18,279
Bond Anticipation Notes	2,945,000	-	2,945,000	-	-
Unamortized Premiums	21,922	-	21,922	-	-
Loan Payable	-	160,000	24,000	136,000	8,000
Capital Lease Obligation	-	40,910	8,798	32,112	7,588
Compensated Absences	594,192	-	95,771	498,421	64,218
Post Closure Landfill Costs	144,000	-	18,000	126,000	18,000
Net Pension Liability	2,587,708	298,186	65,917	2,819,977	-
OPEB Liability - Restated	1,685,097	7,117	-	1,692,214	-
Total	<u>\$ 9,075,436</u>	<u>\$ 506,213</u>	<u>\$ 3,197,285</u>	<u>\$ 6,384,364</u>	<u>\$ 116,085</u>

Each governmental funds liability is liquidated by the respective fund, primarily the General Fund. Capital lease obligations will be paid from the capital nonrecurring fund. Interest on these obligations is expensed in the respective fund, primarily the General Fund.

Capital Leases

The Town has entered into a lease agreement as lessee for financing the acquisition of a recreation vehicle. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 40,910
Less accumulated depreciation	<u>(1,457)</u>
Total	<u>\$ 39,453</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

	<u>Governmental Activities</u>
Year ending June 30:	
2019	\$ 8,799
2020	8,799
2021	8,799
2022	<u>8,798</u>
Total	35,195
Less amount representing interest	<u>(3,083)</u>
Total	<u>\$ 32,112</u>

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2018 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal Outstanding June 30, 2018</u>
Upgrades and improvements to the Town's sanitary sewer collection system	2016	\$ 1,115,000	2.25%	2056	\$ 1,079,640

The annual debt service requirements of the Town's general obligation bonds are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 18,279	\$ 24,292	\$ 42,571
2020	18,690	23,881	42,571
2021	19,111	23,460	42,571
2022	19,541	23,030	42,571
2023	19,981	22,590	42,571
2024-2028	106,852	106,003	212,855
2029-2033	119,426	93,429	212,855
2034-2038	133,480	79,375	212,855
2039-2043	149,189	63,666	212,855
2044-2048	166,723	46,132	212,855
2049-2053	186,366	26,489	212,855
2054-2056	122,002	5,526	127,528
Total	<u>\$ 1,079,640</u>	<u>\$ 537,873</u>	<u>\$ 1,617,513</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2018 totaled \$24,694.

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide financial statements.

Post Closure Landfill Costs

The Town has a closed landfill with no further capacity or estimated useful life. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for thirty years after closure. These costs will be paid through the General Fund each year as part of the annual budget. Total estimated costs based on the current actual costs are included in the long-term debt. The actual costs may vary based on actual events, inflations, changes in technology and applicable laws and regulations. During the year actual costs amounted to \$0.

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

Loan Payable

The Town entered into an agreement with three other towns for the development of the Quinebaug Regional Technology Park. The Town has agreed to pay \$160,000 in exchange for a 20% interest in the technology park. The Town of Putnam has agreed to pay Brooklyn's share up front and will be repaid by the Town of Brooklyn over a 20-year period at an interest rate of 1.875%.

The annual debt service requirements of the Town's loan from Putnam are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 8,000	\$ 2,550	\$ 10,550
2020	8,000	2,400	10,400
2021	8,000	2,250	10,250
2022	8,000	2,100	10,100
2023	8,000	1,950	9,950
2024-2028	40,000	7,500	47,500
2029-2033	40,000	3,750	43,750
2034-2038	16,000	450	16,450
Total	<u>\$ 136,000</u>	<u>\$ 22,950</u>	<u>\$ 158,950</u>

Short-Term Obligations – Bond Anticipation Notes

The Town uses bond anticipation notes to fund construction costs prior to issuance of bonds. The following table summarizes changes in the Town's short-term obligations for the year ended June 30, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bond Anticipation Notes	<u>\$ 2,945,000</u>	<u>\$ 6,453,000</u>	<u>\$ 5,507,000</u>	<u>\$ 3,891,000</u>

The outstanding bond anticipation note carries an interest rate of 1.39% and matures in August 2018. Total interest incurred and expensed on bond anticipation notes during the year was \$79,708.

Other Commitments

The Town has an agreement with the Town of Killingly where the Town of Brooklyn will pay a portion of capital costs associated with the capital improvements of the Killingly high school. The portion will be based on the number of students attending the Killingly school from Brooklyn. The assessment for the year ended June 30, 2018 was \$259,129.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

NOTE 8 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	General Fund	Water Pollution Control Authority Fund	School Building Committee Fund	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Inventories	\$ -	\$ -	\$ -	\$ -	\$ 2,825	\$ 2,825
Restricted for:						
General Government	\$ -	\$ 618,495	\$ -	\$ 72	\$ 120,925	\$ 739,492
Public Works	-	-	-	-	76,173	76,173
Health and Welfare	-	-	-	-	293,717	293,717
Civic and Cultural	-	-	-	-	55,847	55,847
Education	-	-	-	-	511,021	511,021
Total Restricted	\$ -	\$ 618,495	\$ -	\$ 72	\$ 1,057,683	\$ 1,676,250
Committed to:						
General Government	\$ -	\$ -	\$ -	\$ 119,622	\$ -	\$ 119,622
Public Works	-	-	-	49,060	-	49,060
Civic and Cultural	-	-	-	1,372	-	1,372
Education	-	-	306,094	46,609	-	352,703
Total Committed	\$ -	\$ -	\$ 306,094	\$ 216,663	\$ -	\$ 522,757
Unassigned:	\$ 1,469,730	\$ -	\$ -	\$ (4,800,322)	\$ -	\$ (3,330,592)

NOTE 9 – RETIREMENT BENEFITS

Connecticut State Teacher's Retirement System

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Benefit Provisions: The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary).

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% of average annual salary times years of credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7.25% (effective January 1, 2018, 8.25%) of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2018, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$448,199. Covered payroll for the town for the year ended June 30, 2018 was approximately \$5,783,213.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2018 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>1,036,642</u>
Total	\$	<u>1,036,642</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized benefits expense and contribution revenue of \$77,709 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$119,909 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	8.00 Percent

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future cost-of-living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Core Fixed Income	7.00%	1.30%
Inflation Linked Bond Fund	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High-Yield Bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Cash	<u>6.00%</u>	0.40%
Total	<u>100.00%</u>	

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

Discount Rate: The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Defined Benefit Pension Plans

The Town is the administrator of two single employer public employee retirement systems ("PERS") established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers covered under the CT State Teachers' Retirement System ("TRS")). These are considered to be part of the Town of Brooklyn's financial reporting entity and are included in the Town's financial statements as a pension trust fund. Separate stand-alone financial reports are not issued. Benefits may be changed by the Board of Finance. These plans cover:

- Town of Brooklyn – Town Employees
- Brooklyn's Fire Department Service Award Program – Volunteer Firefighters

Town Employees

Plan Description – All employees working at least 20 hours per week or more than five months per year are eligible after completion of one year of continuous service.

Benefits Provided - The retirement benefit is calculated at 1.5 percent of the participant's average monthly earnings during the final 120 months of employment multiplied by years of service (for Highway Workers, effective July 1, 1998, the average monthly earnings are calculated during the final 60 months. Effective June 30, 2001, the average monthly earnings are calculated during the final 36 months). Normal Retirement age is; age 65, if employee is under age 55 on the date included in the plan; 10th anniversary of the date of participation, if employee is between the ages of 55 and 59; age 70, if employee is at least age 60 on the date included in the plan. Participants are 100% vested after 5 years of continuous service. Benefits and contributions are established by the Town and may be amended by the Town. The Town has not given any post-retirement benefit increases. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Plan Membership

As of the date of the latest actuarial valuation, membership consisted of the following:

	Town
Inactive plan members or beneficiaries receiving payments	38
Inactive plan members entitled but not yet receiving payments	13
Active Members	68
	<u>119</u>

Funding Policy

The Plan Sponsor uses the Projected Unit Credit Actuarial Cost Method to calculate the plan liabilities. The Funding Policy has two parts:

- 1) Normal
- 2) Amortization of the Unfunded Actuarial Liability (UAL)

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Each year the Plan Sponsor pays the Normal Cost plus an amortization of the plan's UAL. For the July 1, 2016 Actuarial Valuation, an open amortization period of 15 years was used.

Summary of Significant Accounting Policies

Basis of Accounting - The Town of Brooklyn Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investment Policy - The Town's pension plans policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance at any time. It is the policy of the Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plans investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the target asset allocation of the pension plan as of June 30, 2018:

Target Allocation and Expected Rate of Return

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighting</u>
Large Cap Equity	32.00%	4.65%	1.49%
Mid/Small Cap Equity	12.00%	5.50%	0.66%
Emerging Market Equities	4.00%	6.50%	0.26%
Developed International Equities	12.00%	5.50%	0.66%
International Bonds	4.00%	2.00%	0.08%
Intermediate Govt/Corporate	11.00%	1.95%	0.21%
Multisector Bonds	12.00%	2.25%	0.27%
Nontraditional Bonds	8.00%	2.25%	0.18%
High-Yield Bonds	4.00%	3.25%	0.13%
Inflation/Cash	1.00%	0.00%	0.00%
	<u>100.00%</u>		<u>3.94%</u>
Long-Term Inflation Expectation			<u>2.75%</u>
Long-Term Expected Nominal Return			<u><u>6.69%</u></u>

Long-Term Expected Rate of Return - The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.25% and 7.25%. An expected rate of return of 7.0% was used.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2018, were as follows:

	Town
Total pension liability	\$ 6,549,002
Plan fiduciary net position	4,914,975
Net pension liability (asset)	1,634,027
Plan fiduciary net position as a percentage of total pension liability	75.05%
Covered payroll	2,616,636
Net pension liability as a % of covered payroll	62.45%

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2016 valuation and projected forward to a measurement date of June 30, 2018:

Valuation timing	Actuarially determined contribution rates are calculated as of July 1, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Cost
Asset valuation method	15 years, open
Smoothing period	5 year
Recognition method	20% per year
Inflation	2.75%
Payroll growth	4.00%
Investment rate of return	7.0%, net of investment and admin fees
Retirement age	The earlier of age 55 with 10 years of service or age 65
Post-retirement mortality	RP-2000 Mortality Table

There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

Discount Rate – GASB permits alternative methods to evaluate the sufficiency of the plan’s net fiduciary position. Based on the plan’s current net pension liability and current contribution policy, the plan’s projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, we have used the 7.00% interest rate assumption to discount the plan.

Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 2,416,409	\$ 1,634,027	\$ 968,330

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	\$	\$	\$
Balance at June 30, 2017	\$ 6,194,057	\$ 4,494,113	\$ 1,699,944
Changes for the year:			
Service Cost	209,621	-	209,621
Interest	438,180	-	438,180
Differences Between Expected and Actual Experience including Changes in Assumptions	-	-	-
Employer Contributions	-	355,128	(355,128)
Member Contributions	-	-	-
Net Investment Income	-	374,138	(374,138)
Benefit Payments	(292,856)	(292,856)	-
Administrative Expenses	-	(15,548)	15,548
Net Changes	<u>354,945</u>	<u>420,862</u>	<u>(65,917)</u>
Balance at June 30, 2018	<u>\$ 6,549,002</u>	<u>\$ 4,914,975</u>	<u>\$ 1,634,027</u>
Plan fiduciary net position as a percentage of the total pension liability			75.05%
Covered Payroll			\$ 2,616,636
Net pension liability as a percentage of covered payroll			62.45%

For the year ended June 30, 2018, the total pension expense recognized was \$442,464. As of June 30, 2018, the Town reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings	\$ 32,128	\$ -
Differences between expected and actual experience	103,749	45,724
Changes of assumptions	152,697	-
Total	<u>\$ 288,574</u>	<u>\$ 45,724</u>

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2019	\$ 95,312
2020	74,092
2021	13,270
2022	30,626
2023	<u>29,550</u>
	<u>\$ 242,850</u>

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Volunteer Firefighters

Plan Description - The Brooklyn Fire Department Service Awards Program is open to all Firefighter employees including Volunteer firefighters as long as they have completed one year of firefighting service and are age eighteen.

Benefits Provided - The monthly pension benefits are \$10 per month for each year of firefighting service with a maximum of 30 years of service. A year of firefighting service credit is based on the attainment of point. Normal retirement age is age 65. Participants are 100% vested after 10 years of service. Effective March 1, 2008, both participation in the plan and the accrual of any additional service are frozen. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Plan Membership

As of the date of the latest actuarial valuation, memberships consisted of the following:

	Fire Service
Inactive plan members or beneficiaries receiving payments	27
Inactive plan members entitled but not yet receiving payments	2
Active Members	54
	83

Summary of Significant Accounting Policies

Basis of Accounting - The Town of Brooklyn Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investment Policy - The Town's pension plans policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance at any time. The following was the target asset allocation of the pension plan as of June 30, 2018:

Target Allocation and Expected Rate of Return

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighting</u>
Money Market	100.00%	0.00%	0.00%
	100.00%		0.00%
Long-Term Inflation Expectation			2.60%
Long-Term Expected Nominal Return			2.60%

Long-Term Expected Rate of Return - The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. Because the fund does not have more than a year's worth of benefit payments, an expected rate of return of 3.87% was used.

Net Pension Liability

The components of the net pension liability at June 30, 2018, were as follows:

	Fire Service
Total pension liability	\$ 1,250,306
Plan fiduciary net position	64,532
Net pension liability (asset)	1,185,774
Plan fiduciary net position as a percentage of total pension liability	5.16%

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the January 1, 2018 valuation and projected forward to a measurement date of June 30, 2018:

Valuation timing	Actuarially determined contribution rates are calculated as of January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Cost
Asset valuation method	17 years, closed
Smoothing period	5 year
Recognition method	20% per year
Inflation	2.60% (Previously 2.75%)
Investment rate of return	3.87% (2.75% previously) net of investment and admin fees
Retirement age	Age 65
Post-retirement mortality	RP-2014 Mortality Table

Discount Rate – Plans that are projected to not have a sufficient fiduciary net position (i.e. assets are not sufficient to cover future benefit payments and administrative expenses) will be required to use a blended single equivalent discount rate, which may be significantly lower than the long-term expected rate of return on investments and will result in higher liabilities. We relied on a discount rate of 3.87%, which is consistent with current high-quality municipal bond rates, to calculate plan liabilities.

Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Net Pension Liability	\$ 1,385,839	\$ 1,185,774	\$ 1,027,678

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balance at June 30, 2017	\$ 927,280	\$ 39,516	\$ 887,764
Changes for the year:			
Service Cost	-	-	-
Interest	31,828	-	31,828
Differences Between Expected and Actual Experience including Changes in Assumptions	368,358	-	368,358
Employer Contributions	-	102,000	(102,000)
Member Contributions	-	-	-
Net Investment Income	-	176	(176)
Benefit Payments	(77,160)	(77,160)	-
Administrative Expenses	-	-	-
Net Changes	<u>323,026</u>	<u>25,016</u>	<u>298,010</u>
Balance at June 30, 2018	<u>\$ 1,250,306</u>	<u>\$ 64,532</u>	<u>\$ 1,185,774</u>

Plan fiduciary net position as a percentage of the total pension liability 5.16%

For the year ended June 30, 2018, the total pension expense recognized was \$80,958. As of June 30, 2018, the Town reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings	\$ 3,055	\$ -
Differences between expected and actual experience	258,633	-
Changes of assumptions	59,947	-
Total	<u>\$ 321,635</u>	<u>\$ -</u>

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2019	\$ 50,988
2020	50,664
2021	50,365
2022	50,150
2023	49,778
thereafter	<u>69,690</u>
	<u>\$ 321,635</u>

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description: The Town allows certain retired employees of the Board of Education and their spouses to remain on the Town's health insurance plan. Administrators and Teachers age 50 with 25 years of service, or age 55 with 20 years of service, or age 60 with 10 years of service are eligible.

Funding Policy: The policy is to contribute the employer portion of retiree benefits annually.

Benefit Provisions: For retired administrators, the Board pays 100% of premiums for medical and dental insurance for the first five years after retirement. For teachers and administrators with more than five years of retirement, the retiree is responsible for 100% of the premiums.

Employees Covered by Benefit Terms: At June 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	3
Active plan members	71
	74

Total OPEB Liability: The Town's total OPEB liability of \$1,692,214 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2018 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2018 for June 30, 2018 Reporting Date
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Salary Increases	2.75%
Discount Rate	3.87% as of June 30, 2018 and 3.58% as of June 30, 2017, which is based on the 20-bond GO index as of the measurement date
Mortality Rates	RP-2000 with separate male and female projected to valuation date with Scale BB
Inflation	4.0% Dental and 7.5% Medical

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/17 - Restated	\$ 1,685,097
Changes for the year:	
Service Cost	65,016
Interest	62,330
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(41,786)
Changes in Assumptions	(60,182)
Benefit Payments	(18,261)
Net Changes	7,117
Balance at 6/30/18	\$ 1,692,214

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	\$ 1,913,942	\$ 1,692,214	\$ 1,506,939

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.75% decreasing to 3.75%) or 1-percentage-point higher (8.75% decreasing to 5.75%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 1,457,874	\$ 1,692,214	\$ 1,979,086

OPEB Expense: For the year ended June 30, 2018, the Town recognized OPEB expense of \$117,252. As of June 30, 2018, deferred inflows and outflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 38,055
Changes of assumptions	-	54,809
Total	\$ -	\$ 92,864

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ended June 30:		
2019	\$	(9,104)
2020		(9,104)
2021		(9,104)
2022		(9,104)
2023		(9,104)
Thereafter		<u>(47,344)</u>
	\$	<u>(92,864)</u>

Connecticut Teachers' Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions - The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$1,530.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	2.75%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.56%
Prior Measurement Date	3.01%

The projected fiduciary net position is projected to be depleted in 2018.

Single equivalent interest rate

Measurement Date	3.56%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.01%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022
Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Long-Term Rate of Return - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%	2.79%
Price inflation		2.75%	
Expected rate of return (Rounded nearest 0.25%)		2.75%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	6.25%	7.25%	8.25%
Ultimate Healthcare Cost Trend Rate	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 219,703	\$ 266,837	\$ 330,297

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB liability	\$ 321,581	\$ 266,837	\$ 223,792

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2018 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		266,837
Total	\$	266,837

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$1,530 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$12,367 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. The Town generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

NOTE 12 – LITIGATION AND CONTINGENCIES

Litigation - The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have an adverse, material effect on the Town's financial position.

TOWN OF BROOKLYN, CONNECTICUT
Notes to the Financial Statements

Grants - The Town participates in several Federal and State assisted grants programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2018 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

School Building Grants – Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, will owe a portion of the funding back to the State. For projects with a cost of over two million dollars, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

NOTE 13 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 83 - *Certain Asset Retirement Obligations* - This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84 - *Fiduciary Activities* - This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment funds, (3) private-purpose funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for reporting periods beginning December 15, 2018.

GASB Statement No. 87 – *Leases* - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use

TOWN OF BROOKLYN, CONNECTICUT

Notes to the Financial Statements

lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88 - Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements - The primary objective of this statement is to improve the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

NOTE 14 – ADOPTION OF NEW ACCOUNTING STANDARD

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

The adoption of GASB Statement No. 75 requires the Town to report a Total OPEB liability. The Town's Net Position at June 30, 2017, has been restated for the effects of this liability, which increases the Net Position by \$307,790 at July 1, 2017, in the Government-Wide Financial Statements. The Statement has also required additional footnote disclosures regarding OPEB.

NOTE 15 – PRIOR PERIOD RESTATEMENT

The beginning Net Position was decreased by \$1,343,585 and the beginning Capital Assets was decreased by \$1,343,585. This was to correct the beginning construction in progress balance.

NOTE 16 – SUBSEQUENT EVENTS

On August 8, 2018, the Town issued \$4,414,650 of general obligation bond anticipation notes with an interest rate of 2.39% per year. The notes are due on August 7, 2019. The town used the proceeds to refund a \$3,891,000 general obligation bond anticipation note and interest of \$53,935 due August 8, 2018 and to provide \$469,715 for various capital projects.

TOWN OF BROOKLYN, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
REVENUES				
Property Taxes				
Current Year	\$ 14,521,047	\$ 14,521,047	\$ 14,496,087	\$ (24,960)
Prior Years	200,000	200,000	168,276	(31,724)
Interest and Lien Fees	80,000	80,000	52,923	(27,077)
Supplemental Motor Vehicle Taxes	160,000	160,000	215,253	55,253
Total Property Taxes	<u>14,961,047</u>	<u>14,961,047</u>	<u>14,932,539</u>	<u>(28,508)</u>
Intergovernmental				
Education Assistance	7,511,974	7,511,974	6,051,008	(1,460,966)
Mashantucket Grant	-	-	212,937	212,937
PILOT - State Owned Property	-	-	73,149	73,149
PILOT - Disability	1,567	1,567	1,231	(336)
PILOT - Veterans Exemption	6,647	6,647	6,718	71
Circuit Breaker	56,674	56,674	-	(56,674)
Motor Vehicle Fines	4,000	4,000	2,920	(1,080)
Telephone Tax	16,086	16,086	12,493	(3,593)
Municipal Stabilization Grant	-	-	113,146	113,146
D.U.I. Grant	10,000	10,000	-	(10,000)
Municipal Revenue Sharing	-	-	10,379	10,379
Total Intergovernmental	<u>7,606,948</u>	<u>7,606,948</u>	<u>6,483,981</u>	<u>(1,122,967)</u>
Local Revenues				
Health Department Rent	31,916	31,916	31,916	-
Comm. Center Rental Fee	250	250	-	(250)
Recreation Fees	183,000	183,000	207,657	24,657
Pistol Permits	6,000	6,000	4,900	(1,100)
Town Clerk Fees	60,000	60,000	58,349	(1,651)
Conveyance Tax	80,000	80,000	88,780	8,780
Miscellaneous Income	9,154	9,154	12,520	3,366
Copier Fees	10,000	10,000	6,672	(3,328)
Apartment Inspections	500	500	240	(260)
Brooklyn Fair Tpr. Reimbursement	4,500	4,500	7,445	2,945
Building Permits	85,000	85,000	52,455	(32,545)
Fire Marshal Fees	1,750	1,750	1,540	(210)
Zoning Board of Appeals	500	500	-	(500)
Bingo Permits	-	-	100	100
Planning and Zoning Fees	15,000	15,000	5,510	(9,490)
Wetland Fees	3,750	3,750	-	(3,750)
Vitals Surcharge	-	-	(38)	(38)

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Local Revenues (Continued)				
Transfer Station Fees	\$ 90,000	\$ 90,000	\$ 80,049	\$ (9,951)
Insurance Dividend	8,000	8,000	14,148	6,148
Dog License/Fees	1,750	1,750	4,153	2,403
Total Local Revenues	<u>591,070</u>	<u>591,070</u>	<u>576,396</u>	<u>(14,674)</u>
Unidentified Differences	<u>-</u>	<u>-</u>	<u>773,114</u>	<u>773,114</u>
Investment Income	<u>12,000</u>	<u>12,000</u>	<u>6,626</u>	<u>(5,374)</u>
Total Revenues	<u>23,171,065</u>	<u>23,171,065</u>	<u>22,772,656</u>	<u>(398,409)</u>
EXPENDITURES				
General Government				
Board of Finance	22,800	22,800	53,763	(30,963)
Board of Selectmen	32,108	32,108	33,256	(1,148)
Administration	283,926	283,926	276,259	7,667
Revenue Collector	101,557	101,557	102,885	(1,328)
Assessor	137,836	137,836	135,081	2,755
Board of Assessment	550	550	219	331
Recording	123,894	123,894	121,069	2,825
Elections	34,613	34,613	19,049	15,564
Legal	27,000	27,000	19,602	7,398
Probate	9,655	9,655	9,610	45
Town Hall	47,845	47,845	56,615	(8,770)
Central Supplies	65,119	65,119	76,591	(11,472)
Ethics	3,000	3,000	1,500	1,500
Total General Government	<u>889,903</u>	<u>889,903</u>	<u>905,499</u>	<u>(15,596)</u>
Public Safety				
Canine Control	26,016	26,016	26,016	-
Patrol Services	227,724	227,724	192,771	34,953
Fire Marshal	54,253	54,253	60,775	(6,522)
Fire Facilities	447,795	447,795	450,617	(2,822)
Emergency Services	29,239	29,239	32,582	(3,343)
Homeland Security	4,750	4,750	4,584	166
Total Public Safety	<u>789,777</u>	<u>789,777</u>	<u>767,345</u>	<u>22,432</u>
Public Works				
Roads and Drainage	551,412	551,412	496,073	55,339
Maintenance and Equipment	87,000	87,000	82,670	4,330
Snow Removal	100,405	100,405	50,253	50,152

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Public Works (Continued)				
Garage Maintenance	\$ 22,800	\$ 22,800	\$ 26,439	\$ (3,639)
Engineering	20,235	20,235	20,235	-
Storm Water Management	23,000	23,000	-	23,000
Resource Recovery	224,618	224,618	242,551	(17,933)
Building Official	76,597	76,597	76,030	567
Total Public Works	<u>1,106,067</u>	<u>1,106,067</u>	<u>994,251</u>	<u>111,816</u>
Health and Human Services				
Health	74,383	74,383	74,383	-
Cemeteries	5,000	5,000	5,000	-
Total Health and Human Services	<u>79,383</u>	<u>79,383</u>	<u>79,383</u>	<u>-</u>
Civic and Cultural				
Library	137,911	137,911	137,911	-
Transit District	14,453	14,453	14,453	-
Special Programs	5,750	5,750	5,778	(28)
Recreation	326,817	326,817	292,030	34,787
Park Maintenance	110,199	110,199	96,692	13,507
Community Center	20,557	20,557	22,317	(1,760)
Clifford B Green Building	23,637	23,637	34,752	(11,115)
Total Civic and Cultural	<u>639,324</u>	<u>639,324</u>	<u>603,933</u>	<u>35,391</u>
Development and Planning				
Planning and Zoning	15,424	15,424	8,778	6,646
Zoning Board of Appeal	1,000	1,000	75	925
Agriculture Commission	2,300	2,300	1,000	1,300
Conservation Commission	2,600	2,600	618	1,982
Inland Wetlands Commission	5,850	5,850	1,031	4,819
Land Use Admin/Planner	109,499	109,499	106,714	2,785
Economic Development Commission	3,650	3,650	1,995	1,655
Open Space	8,259	8,259	8,259	-
Total Development and Planning	<u>148,582</u>	<u>148,582</u>	<u>128,470</u>	<u>20,112</u>
Debt and Sundry				
Contingency	145,000	145,000	-	145,000
Fringe Benefits	1,007,895	607,213	527,422	79,791
Municipal Insurance	127,616	127,616	134,977	(7,361)
Long-Term Debt Service	38,200	38,200	20,407	17,793
Short-Term Debt Service	496,900	496,900	575,425	(78,525)
Total Debt and Sundry	<u>1,815,611</u>	<u>1,414,929</u>	<u>1,258,231</u>	<u>156,698</u>

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Capital Outlay	\$ 109,065	\$ 109,065	\$ 109,065	\$ -
Board of Education	<u>17,593,353</u>	<u>17,994,035</u>	<u>17,657,532</u>	<u>336,503</u>
Total Expenditures	<u>23,171,065</u>	<u>23,171,065</u>	<u>22,503,709</u>	<u>667,356</u>
Excess (Deficiency) of Revenues over Expenditures - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	268,947	<u>\$ 268,947</u>
Adjustments to Generally Accepted Accounting Principles (GAAP):				
Payments on Behalf of the Town not Recorded on a Budgetary Basis:				
Revenues from Teachers' Retirement and OPEB			79,239	
Expenditures from Teachers' Retirement and OPEB			(79,239)	
Payments on Behalf of the Town not Recorded on a Budgetary Basis:				
Revenues from Excess Cost Grant			395,027	
Expenditures from Excess Cost Grant			(395,027)	
Other Financing Sources - Difference in Treatment of Loan Financing:				
Proceeds from Loan Financing for Industrial Park			<u>160,000</u>	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis			<u>\$ 428,947</u>	

Notes to Required Supplementary Information: This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1. The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf; 2. The excess cost grant for special education costs is net with expenditures; 3. Encumbrances are treated as expenditures against the budget in the year committed; 4. Revenues and expenditures from capital leasing and for renewing or refunding long-term debt are included in the budget as the net revenue or expenditure expected.

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
Town of Brooklyn Employee Retirement Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 209,621	\$ 173,002	\$ 166,748	\$ 171,727	\$ 179,884
Interest	438,180	408,747	386,937	375,535	353,196
Changes in Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	-	147,897	-	(106,688)	-
Changes of Assumptions	-	134,931	-	135,436	-
Benefit Payments, Including Refunds of Member Contributions	(292,856)	(266,165)	(252,302)	(230,131)	(224,129)
Net Change in Total Pension Liability	<u>354,945</u>	<u>598,412</u>	<u>301,383</u>	<u>345,879</u>	<u>308,951</u>
Total Pension Liability - Beginning	<u>6,194,057</u>	<u>5,595,645</u>	<u>5,294,262</u>	<u>4,948,383</u>	<u>4,639,432</u>
Total Pension Liability - Ending (a)	<u>\$ 6,549,002</u>	<u>\$ 6,194,057</u>	<u>\$ 5,595,645</u>	<u>\$ 5,294,262</u>	<u>\$ 4,948,383</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 355,128	\$ 302,944	\$ 295,082	\$ 256,246	\$ 251,168
Contributions - Member	-	-	-	-	-
Net Investment Income	374,138	403,008	(9,590)	188,347	129,412
Benefit Payments, Including Refunds of Member Contributions	(292,856)	(266,165)	(252,302)	(230,131)	(224,129)
Administrative Expenses	(15,548)	(12,351)	(15,281)	(18,810)	(12,604)
Other	-	-	-	(46,417)	439,783
Net Change in Pension Fiduciary Net Position	<u>420,862</u>	<u>427,436</u>	<u>17,909</u>	<u>149,235</u>	<u>583,630</u>
Plan Fiduciary Net Position - Beginning	<u>4,494,113</u>	<u>4,066,677</u>	<u>4,048,768</u>	<u>3,899,533</u>	<u>3,315,903</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,914,975</u>	<u>\$ 4,494,113</u>	<u>\$ 4,066,677</u>	<u>\$ 4,048,768</u>	<u>\$ 3,899,533</u>
Net Pension Liability - Ending: (a) - (b)	<u>\$ 1,634,027</u>	<u>\$ 1,699,944</u>	<u>\$ 1,528,968</u>	<u>\$ 1,245,494</u>	<u>\$ 1,048,850</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.05%	72.56%	72.68%	76.47%	78.80%
Covered Payroll	\$ 2,616,636	\$ 2,515,996	\$ 2,108,519	\$ 2,022,560	\$ 2,197,494
Net Pension Liability as a Percentage of Covered Payroll	62.45%	67.57%	72.51%	61.58%	47.73%

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
Town of Brooklyn Employee Retirement Plan
Schedule of Contributions
Last Five Fiscal Years

	2018	2017	2016	2015	2014
Actuarially Determined Employer Contribution (ADEC)	\$ 355,128	\$ 302,944	\$ 295,082	\$ 310,080	\$ 310,080
Contributions in Relation to the ADEC	<u>355,128</u>	<u>302,944</u>	<u>295,082</u>	<u>256,246</u>	<u>251,168</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ 53,834	\$ 58,912
Covered Payroll	2,616,636	2,515,996	2,108,519	2,022,560	2,197,494
Contributions as a Percentage of Covered Payroll	13.57%	12.04%	13.99%	12.67%	11.43%

Notes to Schedule

Valuation Date: 7/1/2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Cost
Remaining amortization period	15 yrs, Open
Asset valuation method	5-year Smoothed
Salary increases	4.00%
Investment rate of return	7.00%
Normal Retirement	Earlier of age 55 with 10 years of service or age 65
Mortality	RP-2000 Mortality Table

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Town of Brooklyn Employee Retirement Plan
 Schedule of Investment Returns
 Last Five Fiscal Years

	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	8.22%	9.78%	-0.24%	3.62%	16.70%

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
Town of Brooklyn Fire Department Service Award Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ -	\$ 40,725	\$ -	\$ -	\$ -
Interest	31,828	27,198	36,559	39,931	41,254
Differences Between Expected and Actual Experience	299,044	-	(40,143)	(51,752)	-
Changes of Assumptions	69,314	(48,550)	56,099	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(77,160)</u>	<u>(80,227)</u>	<u>(77,843)</u>	<u>(78,360)</u>	<u>(74,472)</u>
Net Change in Total Pension Liability	<u>323,026</u>	<u>(60,854)</u>	<u>(25,328)</u>	<u>(90,181)</u>	<u>(33,218)</u>
Total Pension Liability - Beginning	<u>927,280</u>	<u>988,134</u>	<u>1,013,462</u>	<u>1,103,643</u>	<u>1,136,861</u>
Total Pension Liability - Ending (a)	<u>\$ 1,250,306</u>	<u>\$ 927,280</u>	<u>\$ 988,134</u>	<u>\$ 1,013,462</u>	<u>\$ 1,103,643</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 102,000	\$ 80,110	\$ 80,124	\$ 80,046	\$ 75,544
Contributions - Member	-	-	-	-	-
Net Investment Income	176	-	-	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(77,160)</u>	<u>(80,227)</u>	<u>(77,843)</u>	<u>(78,360)</u>	<u>(74,472)</u>
Administrative Expenses	<u>-</u>	<u>-</u>	<u>(2,685)</u>	<u>(7,000)</u>	<u>(3,135)</u>
Net Change in Pension Fiduciary Net Position	<u>25,016</u>	<u>(117)</u>	<u>(404)</u>	<u>(5,314)</u>	<u>(2,063)</u>
Plan Fiduciary Net Position - Beginning	<u>39,516</u>	<u>39,633</u>	<u>40,037</u>	<u>45,351</u>	<u>47,414</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 64,532</u>	<u>\$ 39,516</u>	<u>\$ 39,633</u>	<u>\$ 40,037</u>	<u>\$ 45,351</u>
Net Pension Liability - Ending: (a) - (b)	<u>\$ 1,185,774</u>	<u>\$ 887,764</u>	<u>\$ 948,501</u>	<u>\$ 973,425</u>	<u>\$ 1,058,292</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	5.16%	4.26%	4.01%	3.95%	4.11%

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Town of Brooklyn Fire Department Service Award Plan
 Schedule of Contributions
 Last Five Fiscal Years

	2018	2017	2016	2015	2014
Actuarially Determined Employer Contribution (ADEC)	\$ 103,956	\$ 101,174	\$ 79,551	\$ 79,551	\$ 75,544
Contributions in Relation to the ADEC	<u>102,000</u>	<u>80,110</u>	<u>80,124</u>	<u>80,046</u>	<u>75,544</u>
Contribution Deficiency (Excess)	<u>\$ 1,956</u>	<u>\$ 21,064</u>	<u>\$ (573)</u>	<u>\$ (495)</u>	<u>\$ -</u>

Notes to Schedule

Valuation Date: 1/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Cost
Remaining amortization period	17 yrs, Closed
Asset valuation method	Market Value
Investment rate of return	3.87%
Normal Retirement	Age 65
Mortality	RP-2014 Mortality Table

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT

Town of Brooklyn Fire Department Service Award Plan
Schedule of Investment Returns
Last Five Fiscal Years

	2018	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.00%	0.00%	0.00%	0.00%	0.00%

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability
 Last Four Fiscal Years

Schedule of Proportionate Share of Net Pension Liability

	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>1,036,642</u>	<u>1,093,665</u>	<u>16,094,784</u>	<u>14,876,402</u>
Total	<u>\$ 1,036,642</u>	<u>\$ 1,093,665</u>	<u>\$ 16,094,784</u>	<u>\$ 14,876,402</u>
Town's covered-employee payroll	<u>\$ 5,783,213</u>	<u>\$ 6,054,495</u>	<u>\$ 5,820,974</u>	<u>\$ 5,802,009</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll.	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Notes to Schedule

Changes in benefit terms	None
Changes in assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2016.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	8.0% net of investment expense, including inflation

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
Schedule of Changes in Total OPEB Liability and Related Ratios
Last Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 65,016
Interest	62,330
Differences Between Expected and Actual Experience	(41,786)
Changes of Assumptions	(60,182)
Benefit Payments, Including Implicit Cost	(18,261)
Net Change in Total OPEB Liability	7,117
Total OPEB Liability - Beginning	1,685,097
Total OPEB Liability - Ending (a)	\$ 1,692,214
Covered Payroll	\$ 5,687,333
Total OPEB Liability as a Percentage of Covered Payroll	29.75%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

Measurement Date	June 30, 2018		
Valuation Date	July 1, 2016		
Inflation Rate	3.00%		
Actuarial Cost Method	Individual Entry Age Normal		
Salary Increases	3.00%		
Healthcare Cost Trend Rates	FYE	Medical	Dental
	2019	6.75%	4%

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 State Teacher's Retirement System
 Proportionate Share of Net OPEB Liability
 Last Fiscal Year

Schedule of Proportionate Share of Net OPEB Liability

	2018
Town's percentage of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	266,837
Total	\$ 266,837
Town's covered-employee payroll	\$ 5,783,213
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in Benefit Terms
 Changes of Assumptions

None
 The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.

Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.

As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.

Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	4.25%, net of investment related expense

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

SPECIAL REVENUE FUNDS

	SPECIAL REVENUE FUNDS							Total
	Small Cities Block Grant Fund	Town Aid Road Fund	Special Education Grants Fund	Cafeteria Fund	Recreation Fund	Open Space Land Acquisition Fund	Memorial Scholarship Fund	
Assets								
Cash and Cash Equivalents	\$ 52,401	\$ 201,374	\$ -	\$ 50,008	\$ 20,596	\$ 72,774	\$ 26,108	\$ 423,261
Investments	-	-	-	-	-	48,151	-	48,151
Receivables, Net	241,316	-	13,003	37,153	1,354	-	-	292,826
Inventory	-	-	-	2,825	-	-	-	2,825
Due from Other Funds	-	21,276	557,767	-	36,622	-	-	615,665
Total Assets	\$ 293,717	\$ 222,650	\$ 570,770	\$ 89,986	\$ 58,572	\$ 120,925	\$ 26,108	\$ 1,382,728

Liabilities and Fund Balances

Liabilities:								
Accounts Payable and Accrued Items	\$ -	\$ -	\$ 18,365	\$ 6,754	\$ 2,725	\$ -	\$ -	\$ 27,844
Due to Other Funds	-	146,477	-	3,000	-	-	500	149,977
Unearned Revenue	-	-	144,399	-	-	-	-	144,399
Total Liabilities	-	146,477	162,764	9,754	2,725	-	500	322,220
Fund Balances:								
Nonspendable	-	-	-	2,825	-	-	-	2,825
Restricted	293,717	76,173	408,006	77,407	55,847	120,925	25,608	1,057,683
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	293,717	76,173	408,006	80,232	55,847	120,925	25,608	1,060,508
Total Liabilities and Fund Balances	\$ 293,717	\$ 222,650	\$ 570,770	\$ 89,986	\$ 58,572	\$ 120,925	\$ 26,108	\$ 1,382,728

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2018

SPECIAL REVENUE FUNDS

	Special										Open		Total
	Small Cities Block Grant Fund	Town Aid Road Fund	Education Grants Fund	Cafeteria Fund	Recreation Fund	Space Land Acquisition Fund	Memorial Scholarship Fund	-	-	-	-		
Revenues													
Intergovernmental Revenues	\$ -	\$ 242,459	\$ 548,679	\$ 185,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 976,233
Licenses, Permits and Charges for Services	-	-	-	121,487	65,770	-	-	-	-	-	-	-	187,257
Investment Income	65	-	-	-	-	373	-	-	-	181	-	-	619
Other Revenue	2,048	2	228,447	-	-	11,309	-	-	-	-	-	-	241,806
Total Revenues	2,113	242,461	777,126	306,582	65,770	11,682	181	-	-	-	-	-	1,405,915
Expenditures													
Current:													
Public Works	-	221,250	-	-	-	-	-	-	-	-	-	-	221,250
Health and Human Services	287	-	-	-	-	-	-	-	-	-	-	-	287
Civic and Cultural	-	-	-	-	62,559	-	-	-	-	-	-	-	62,559
Education	-	-	487,773	291,190	-	-	-	-	-	-	-	-	778,963
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	287	221,250	487,773	291,190	62,559	-	-	-	-	-	-	-	1,063,059
Excess/(Deficiency) of Revenues Over Expenditures	1,826	21,211	289,353	15,392	3,211	11,682	181	-	-	-	-	-	342,856
Other Financing Sources/(Uses)													
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	1,826	21,211	289,353	15,392	3,211	11,682	181	-	-	-	-	-	342,856
Fund Balances at Beginning of Year	291,891	54,962	118,653	64,840	52,636	109,243	25,427	-	-	-	-	-	717,652
Fund Balances at End of Year	\$ 293,717	\$ 76,173	\$ 408,006	\$ 80,232	\$ 55,847	\$ 120,925	\$ 25,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,060,508

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2018

	Town Pension Trust Fund	LOSAP Pension Trust Fund	Total
Assets			
Cash and Cash Equivalents	\$ -	\$ 82,818	\$ 82,818
Investments			
Short-Term Investments	74,923	-	74,923
Mutual Funds	4,840,052	-	4,840,052
Total Assets	<u>\$ 4,914,975</u>	<u>\$ 82,818</u>	<u>\$ 4,997,793</u>
Deferred Outflows of Resources	-	-	-
Liabilities			
Payroll Taxes Payable	\$ -	\$ 18,286	\$ 18,286
Total Liabilities	-	18,286	18,286
Deferred Inflows of Resources	-	-	-
Net Position			
Restricted for Pension Benefits	<u>\$ 4,914,975</u>	<u>\$ 64,532</u>	<u>\$ 4,979,507</u>

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2018

	Town Pension Trust Fund	LOSAP Pension Trust Fund	Total
Additions			
Contributions:			
Employer	\$ 355,128	\$ 102,000	\$ 457,128
Investment Income:			
Net Appreciation/(Depreciation) in Fair Value of Investments	159,338	-	159,338
Interest and Dividends	214,800	176	214,976
Total Investment Income	374,138	176	374,314
Other Income	17,909	-	17,909
Total Additions	747,175	102,176	849,351
Deductions			
Pension Benefits	292,856	77,160	370,016
Administrative Expenses	15,548	-	15,548
Total Deductions	308,404	77,160	385,564
Change in Net Position	438,771	25,016	463,787
Net Position at Beginning of Year	4,476,204	39,516	4,515,720
Net Position at End of Year	\$ 4,914,975	\$ 64,532	\$ 4,979,507

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2018

	<u>Balance</u>		<u>Deductions</u>	<u>Balance</u>
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>
<u>Student Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 20,447	\$ 97,903	\$ 98,229	\$ 20,121
Investments, at Fair Value	23,429	104	-	23,533
Due From Other Funds	18,940	-	-	18,940
Total Assets	<u>62,816</u>	<u>98,007</u>	<u>98,229</u>	<u>62,594</u>
Liabilities:				
Fiduciary Deposits	<u>62,816</u>	<u>98,007</u>	<u>98,229</u>	<u>62,594</u>
Total Liabilities	<u>\$ 62,816</u>	<u>\$ 98,007</u>	<u>\$ 98,229</u>	<u>\$ 62,594</u>

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT

Schedule of Debt Limitation

June 30, 2018

Total Tax Collections, Including Interest and Lien Fees - Primary Government - Prior Fiscal Year	\$14,476,898
Total Tax Collections, Including Interest and Lien Fees - Cotermious Government - Prior Fiscal Year	50,838

Reimbursement for Revenue Loss on:

Tax Relief for Elderly and Disabled - Prior Fiscal Year	616
Base	<u><u>\$ 14,528,352</u></u>

	General Purposes (2.25 x base)	Schools (4.50 x base)	Sewers (3.75 x base)	Urban Renewal (3.25 x base)	Pension Deficit (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 32,688,792</u>	<u>\$ 65,377,584</u>	<u>\$ 54,481,320</u>	<u>\$ 47,217,144</u>	<u>\$ 43,585,056</u>
Indebtedness:					
Bonds Payable					
Town	1,640,101	2,250,899	1,079,640	-	-
Total Indebtedness	<u>1,640,101</u>	<u>2,250,899</u>	<u>1,079,640</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 31,048,691</u>	<u>\$ 63,126,685</u>	<u>\$ 53,401,680</u>	<u>\$ 47,217,144</u>	<u>\$ 43,585,056</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$101,698,464.

TOWN OF BROOKLYN, CONNECTICUT
 Schedule of Property Taxes Levied, Collected, and Outstanding
 For the Year Ended June 30, 2018

List of 10/1:	Outstanding July 1, 2017	Current Levy	Lawful Corrections		Collectible Taxes	Collections During the Year			Transfers to Suspend	Outstanding June 30, 2018
			Additions	Deductions		Taxes	Interest	Liens		
2016	\$ 179,341	\$ 15,050,304	\$ 32,140	\$ 73,519	\$ 15,008,925	\$ 14,831,555	\$ 49,432	\$ 19,607	\$ 14,900,594	\$ 176,861
2015	49,146	-	808	12,385	167,764	134,166	25,051	7,532	166,749	33,598
2014	35,684	-	-	4,504	44,642	17,098	8,838	1,416	27,352	27,544
2013	3,934	-	-	112	35,572	7,661	3,229	494	11,384	4,687
2012	1,467	-	-	-	3,934	1,079	744	63	1,886	2,855
2010	1,380	-	-	-	1,467	-	-	-	-	1,467
2009	1,353	-	-	-	1,380	-	-	-	-	1,380
2008	826	-	-	-	1,353	-	-	-	-	1,353
2007	764	-	-	-	1,352	420	219	-	639	932
2006	717	-	-	-	826	-	-	-	-	826
2005	1,615	-	-	-	764	-	-	-	-	764
2004	691	-	-	-	717	(3)	-	-	(3)	720
2003	429	-	-	-	1,615	-	-	-	-	1,615
2002	-	-	-	-	691	-	-	-	-	691
					429	-	-	-	-	429
	\$ 278,699	\$ 15,050,304	\$ 32,948	\$ 90,520	\$ 15,271,431	14,991,976	87,513	29,112	15,108,601	\$ 23,733
										\$ 255,722

Net Grand List - October 1, 2016
 Tax Rate: 27.09 mills

Total Suspense Collections	5,115	1,054	12,301
Total Collections	\$ 14,997,091	\$ 30,166	\$ 15,120,902

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Schedule of Changes in Fund Balance by Project
 Capital Nonrecurring Fund
 For the Year Ended June 30, 2018

	Beginning Fund Balance	Net Transfers In (Out)	Revenues and New Debt	Current Year Expenditures	Ending Fund Balance	Eliminating Deficits Per GASB 54	Reported Fund Balance
Restricted Fund Balance:							
General Government							
JAG Grant	\$ 72	\$ -	\$ -	\$ -	72	\$ -	\$ 72
Education	(19,000)	-	19,000	-	-	-	-
LOCIP - IMAC Lab	(18,928)	-	19,000	-	72	-	72
Total Restricted Fund Balance							
Committed Fund Balance:							
General Government							
Building Office Software	2,970	-	-	-	2,970	-	2,970
Mortlake Generator	9,184	-	-	29,158	(19,974)	19,974	-
Lilli Ann Apartment	(38,000)	-	-	-	(38,000)	38,000	-
East Brooklyn Drainage	2,425	-	-	13,162	(10,737)	10,737	-
EB Fire Truck	260	-	-	-	260	-	260
Tech Needs	(11,500)	-	17,000	104,790	(99,290)	99,290	-
Library Wall	(2,206)	-	-	-	(2,206)	2,206	-
Transfer Station Canopies	(35,706)	-	-	-	(35,706)	35,706	-
Mortlake Truck - 2014/2015	59,531	-	-	-	59,531	-	59,531
Financial Software	(14,502)	-	-	-	(14,502)	14,502	-
P & Z Regs - 2014/2015	10,382	-	-	-	10,382	-	10,382
Sidewalks - 2014/2015	12,179	-	-	-	12,179	-	12,179
Repairs/Replacements	25,000	-	-	-	25,000	-	25,000
Mortlake Drainage	-	9,300	-	-	9,300	-	9,300
STEAP Generator	-	-	-	6,200	(6,200)	6,200	-
Highway							
Chipper	7,064	-	-	-	7,064	-	7,064
Highway Garage	(10,000)	-	-	172,119	(182,119)	182,119	-
Highway Truck	53,538	-	-	334,114	(280,576)	280,576	-
South Main Resurface	1,768	-	-	-	1,768	-	1,768
Backhoe - 2014/2015	40,228	-	-	-	40,228	-	40,228
Payloader - 2014/2015	(23,905)	-	-	-	(23,905)	23,905	-
Recreation							
Disc Golf	569	-	-	-	569	-	569
Baseball Fields - Riverside Park	(137,938)	-	-	-	(137,938)	137,938	-
Field at BMS	282	-	-	-	282	-	282

See accountant's report.

TOWN OF BROOKLYN, CONNECTICUT
 Schedule of Changes in Fund Balance by Project
 Capital Nonrecurring Fund
 For the Year Ended June 30, 2018

	Beginning Fund Balance	Net Transfers In (Out)	Revenues and New Debt	Current Year Expenditures	Ending Fund Balance	Eliminating Deficits Per GASB 54	Reported Fund Balance
Committed Fund Balance (Continued):							
Recreation (Continued)							
Sander Attachment	521	-	-	-	521	-	521
Last Green Valley	(223)	-	-	-	(223)	223	-
Truck 17/18	-	2,000	40,910	49,709	(6,799)	6,799	-
Education							
School North Wall Repair	(17,702)	-	-	730,660	(748,362)	748,362	-
Asbestos Removal	14,592	-	-	-	14,592	-	14,592
Kitchen Equipment Replacement	3,952	-	-	-	3,952	-	3,952
Rose Wing Roof - 2014/2015	43,929	-	-	101,246	(57,317)	57,317	-
Fire Alarm System Repairs	(18,388)	-	-	290,072	(308,460)	308,460	-
Security Needs - 2014/2015	10,000	-	-	-	10,000	-	10,000
BES and BMS Roof Project	58,075	-	2,095,125	3,601,261	(1,448,061)	1,448,061	-
Tractor	30	-	-	-	30	-	30
Key System	-	45,765	-	43,362	2,403	-	2,403
HVAC Upgrade	-	8,000	-	-	8,000	-	8,000
Technology Upgrade	-	44,000	-	36,368	7,632	-	7,632
Total Committed Fund Balance	46,409	109,065	2,153,035	5,512,221	(3,203,712)	3,420,375	216,663
Unassigned Fund Balance	(439,972)	273,297	-	1,213,272	(1,379,947)	(3,420,375)	(4,800,322)
Total Fund Balance	\$ (412,491)	\$ 382,362	\$ 2,172,035	\$ 6,725,493	\$ (4,583,587)	\$ -	\$ (4,583,587)

See accountant's report.

